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New Initiatives in President Bush's State of the Union Address January 20, 2004

In his State of the Union Address, President Bush called on our Nation to complete the work begun during the last three years and to face the future with confidence and strength. To address America's most pressing needs, the President announced new initiatives to strengthen economic growth, further reform education and job training, address the rising cost of health care, and make America a more compassionate Nation.

Jobs for the 21st Century

- America's growing economy is also a changing economy, and President Bush wants to help Americans gain the skills needed to prosper in our new economy. President Bush announced Jobs for the 21st Century -- more than \$500 million for a series of measures to better prepare current and future workers for jobs in the new millennium.
- President Bush wants to help current workers get the training and skills they need to secure jobs in high-growth industries. He also wants to help better prepare high school students to enter higher education or the workforce. This initiative is especially important at a time when 80% of the fastest-growing jobs in the U.S. require higher education and many require math and science skills.
 - The President's Jobs for the 21st Century initiative would expand support through America's community colleges to help them train workers for the industries that are creating the most new jobs. It includes a \$250 million proposal to fund partnerships between community colleges and employers in high-demand job sectors, based on successful pilot programs launched by President Bush in 2001 and 2002.
 - President Bush's plan will improve the quality of education at our Nation's middle and high schools and better prepare students for success in higher education and the job market -- including \$100 million to help striving readers and \$120 million to improve math education.
 - The President's plan expands Advanced Placement programs in low-income schools and invites professionals with private-sector math and science experience to teach part-time in our high schools. As an incentive for students to take more demanding high school courses, it would provide larger grants for college under the Pell Grant program.

Making Health Care More Affordable

- The rapidly rising cost of health care is the main reason why millions of Americans lack health insurance today. To make insurance more affordable, the President proposed measures to address rising healthcare costs and help more Americans afford insurance.
- **Tax-Free Health Savings Accounts (HSAs):** As part of the Medicare prescription drug bill that President Bush signed into law last month, workers will now be able to take advantage of HSAs -- fully portable, tax-free savings accounts that can be used to pay for medical expenses incurred by individuals, spouses, or dependents. Contributions to HSAs by individuals are deductible, even if the taxpayer does not itemize, and contributions by an employer are not included in the individual's taxable income.

- **Tax-free Insurance Premiums for HSAs:** President Bush proposed that individuals who buy catastrophic health care coverage as part of their new Health Savings Accounts, be allowed to deduct 100% of the premium from their taxes. This new deduction of health insurance premiums, which will be available to taxpayers whether or not they itemize, will make health coverage more affordable for millions of Americans who do not get coverage through their workplace.
- The President also called on Congress to establish refundable tax credits of up to \$1,000 for individuals and \$3,000 for families to help low-income workers buy health insurance coverage.
- The President called for Congress to pass Association Health Plans to enable small businesses to provide health coverage to more workers by allowing them to band together and negotiate lower insurance rates.
- President Bush proposed to double the budget to \$100 million for demonstration projects related to health information technology, which will save lives and help to reduce costs.

Doubling Our Efforts to Expand Democracy

- The National Endowment for Democracy (NED) was established by Congress during the Reagan Administration to expand democracy throughout the world. Governed by an independent, nonpartisan board of directors, the NED makes hundreds of grants each year to support pro-democracy groups in dozens of countries. The NED works in part through direct grants to NGOs and civil society groups fighting for democracy, human rights, religious tolerance, freedom of the press, and free elections. Last year, the NED budget totaled \$39.6 million. The President called for doubling the NED budget, allocating the additional \$40 million to programs in the Middle East.

Helping Young Americans Make Healthy Decisions

- **Addressing the National Challenge of Teen Substance Abuse:** Approximately 1.4 million American teenagers between the ages of 12 and 17 are in need of drug treatment, according to research done by the Substance Abuse and Mental Health Services Administration (SAMHSA). Data also show that, if a child does not start using drugs in his or her teen years, he or she is much less likely to develop a substance abuse problem later.
- In his State of the Union address, President Bush announced a new initiative to help young Americans avoid being ensnared by addiction. His budget for FY 2005 will include \$25 million -- a \$23 million increase -- for student drug testing program grants, extending the benefits of early intervention programs that have been proven in government, military, education, transportation, and private-sector workplaces. The President's anti-drug policies are working -- just last month, a leading national survey found that 400,000 fewer drug users among 8th, 10th, and 12th graders. This represents an 11% decline in drug use among these age groups, ahead of the President's two-year goal of 10%.
- **Encouraging Role Models to Set a Good Example for Young Athletes:** President Bush called on America's major sports leagues and athletes to end the use of performance-enhancing drugs. Their use by even a minority of elite athletes sets a dangerous example for the millions of young Americans, encouraging young people to take dangerous risks with their health and safety.
- The President will ask these leagues and athletes to implement stringent drug policies to set a healthier and more positive example for America's young people. These policies will also protect the integrity of their sports and ensure the health and well-being of athletes.
- **Expanding Support for Teen Abstinence Promotion:** Each year, three million American teenagers contract sexually transmitted diseases, causing emotional harm and serious health consequences, even death. President Bush announced a new initiative to educate teens and parents about the health risks associated with early sexual activity and provide the tools needed

to help teens make responsible choices. The President's Fiscal Year 2005 budget would increase the funding for abstinence education programs to more than \$270 million. President Bush also directed the Department of Health and Human Services to develop research-based standards for model abstinence education curricula, and he called for a review of all Federal programming for youth addressing teen pregnancy prevention, family planning, and STD and HIV/AIDS prevention to ensure that the Federal government is sending the right messages to teens. He also announced a public education campaign designed to help parents communicate with their children about the health risks associated with early sexual activity.

Empowering Faith-Based and Community Charities to Help Those in Need

- Many faith-based organizations that have been effective in serving the poor have faced discrimination in their efforts to partner with the Federal government. The regulatory reforms instituted by President Bush in December, 2002 have remedied many of these problems, but should be protected by statute.
- President Bush announced his intent to seek legislation to put into law the principle of equal treatment for faith-based organizations in the Federal grants process and end discrimination against these charities. This legislation would ensure that more Americans in need would be able to get vital social services from the country's most effective charities, whether secular or faith-based organizations.

Protecting Communities by Reducing Recidivism Among Returning Inmates

- Some 600,000 prisoners who have completed their prison sentences will be released this year. Unfortunately, many of them will return to prison after committing another crime -- causing additional costs to themselves and society. To reduce the number of these prisoners committing new crimes, President Bush proposed a plan to harness the resources and experience of faith-based and community organizations in dealing with the challenges of helping returning inmates contribute to society.
- Through a collaboration with faith-based and community organizations and the Department of Labor (DOL), the Department of Housing and Urban Development (HUD), and the Department of Justice (DOJ), the initiative would address three key requirements for successful re-entry of those who have paid their debt to society -- mentoring, transitional housing, and basic job training and placement. The President's FY 2005 budget will provide funding for the first year of this four-year, \$300 million initiative.